



Metals

Why Trade Matters

INDUSTRY SECTOR REPORT

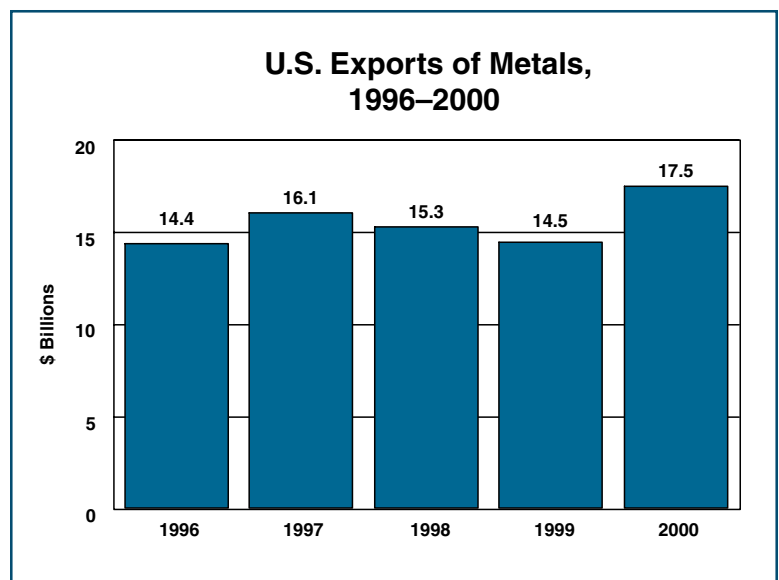
General information on exports.

In 2000, U.S. exports of metals totaled \$17.5 billion, a 25 percent increase since 1992. Iron and steel mill products accounted for about a quarter of the total, and primary nonferrous metals represented just under one-half. Other nonferrous semifabricated products represented most of the remainder. The majority of this trade is within the NAFTA region.

Market development. Increased access to overseas markets, particularly in South America, for U.S. metals exports and investment will assist the growth of the U.S. industry.

Tariffs. Tariffs on metals in many markets, especially in those with well-developed demand, are often double or triple the U.S. rates. It is possible that U.S. exporters will benefit from a reduction in such tariffs. With few exceptions, U.S. tariffs range from duty-free to 6.5 percent.

Nontariff barriers. The elimination of such nontariff barriers as distribution restrictions, in conjunction with reduced tariffs, will contribute to increased market access for U.S. firms.





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Small and medium-sized enterprises. There are numerous small and medium-sized enterprises (SMEs) in the sector. For example, SMEs represented 86 percent of primary metals manufacturing exporters and 36 percent of exports in 1998.

Research and development. Research into new alloys and metal-forming techniques will result in innovative, energy efficient, and environmentally friendly materials for use in final products, such as autos and aircraft.

Employment opportunities. The industry currently provides direct employment for 740,000 workers in the United States. Nonsupervisory workers in the sector earn an hourly wage that is 9 percent greater than the average for the overall durable goods sector.

Key producing states. Indiana, Ohio, Pennsylvania, Illinois, Washington, Kentucky, Arizona, New Mexico, New York

The sector. The metals sector includes the production of primary and secondary metals in unwrought and wrought forms (i.e., semifabricated into sheet, plate, foil, bars, etc.).

BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ As a result of the NAFTA and Uruguay Round, U.S. exporters have had improved access to many markets, both traditional and new. Canada and Mexico are the largest markets for U.S. metals exports.